

U.S. House and Senate Notification
Monday, March 15, 2010

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Subject: CMS Issues Notice on Supervision Requirements for Outpatient
Therapeutic Services in Critical Access Hospitals

The Centers for Medicare & Medicaid Services (CMS) will instruct all of its Medicare contractors not to evaluate or enforce the supervision requirements for therapeutic services provided to outpatients in Critical Access Hospitals (CAHs) for the duration of calendar year (CY) 2010. The final 2010 hospital outpatient prospective payment system rule had specified that a “direct supervision” standard is required for therapeutic services furnished in hospital outpatient departments. CMS believed this requirement to be a clarification of longstanding policy, but the rule has generated concern among some rural providers who had previously interpreted the CMS policy to require only “general supervision” and who believe that it may be difficult to meet this requirement.

CMS plans to revisit the issue of supervision for therapeutic services provided to hospital outpatients in CAHs through the annual rulemaking cycle for CY 2011. CMS continues to expect CAHs to fulfill all other Medicare program requirements when providing services to Medicare beneficiaries and when billing Medicare for those services. While CMS is instructing contractors not to enforce the supervision requirements in CAHs for CY 2010, we continue to emphasize quality and safety for services provided to all patients in CAHs.

If you have any questions about this announcement, please contact the CMS Office of Legislation.

Thank you.